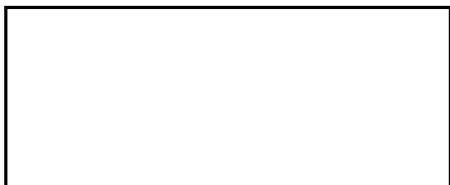


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14 September 1959

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# CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 12  
NO CHANGE IN CLASS.  
DECLASSIFIED  
CLASS. CHANGED TO: TS, S, C  
NEXT REVIEW DATE: 2010  
AUTH: 70-2  
DATE: 4.19.86 REVIEWER: 1

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## CENTRAL INTELLIGENCE BULLETIN

14 September 1959

### DAILY BRIEF

#### I. THE COMMUNIST BLOC

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USSR: [ ] remarks by Soviet spokesmen [ ]

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[ ] provide further evidence of the USSR's embarrassment over events both in Laos and on the Sino-Indian border. [ ] stressed the USSR's

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desire to prevent any aggravation of the Laos situation and said Moscow would "do everything possible" to avoid jeopardizing the chances for a detente with the United States. [ ]

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[ ] Peiping's actions in the border dispute were "incomprehensible" and could gain nothing valuable enough to justify the bad impression being created. [ ]

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Communist China - India: In contrast to their silence up to last week on the Sino-Indian border dispute, Chinese Communist propaganda media now are giving full publicity to the issue. The resolution passed by the standing committee of the National People's Congress, press editorials, and statements at public rallies held throughout the country profess a sense of injury that New Delhi should "blow up" the matter and thereby give comfort to elements who want to drive a wedge between India and China. In this connection, strong exception is also being voiced to the "unfriendly" activities of the Dalai Lama countenanced by New Delhi. The Chinese are highlighting their firm opposition to the McMahon line. Their statements do not go so far, however, as to insist that the line presently shown on Chinese maps is beyond discussion. [ ]

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## II. ASIA-AFRICA

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Laos: Communist bloc propaganda continues to emphasize the "willingness" of the Laotian dissidents to negotiate a settlement with the Laotian Government on the basis of "respect for the 1954 Geneva and 1957 Vientiane agreements." By placing the onus for continued fighting on the Phoui government, the Communists probably hope not only to exploit existing differences within Laos, but also to divide free world attitudes on the situation. Laotian officials, while admitting the possibility of some unintentional exaggeration in communiqués on the fighting to date, express confidence that the four-nation UN fact-finding team about to arrive on the scene will bear out Laos' charges of North Vietnamese involvement in the rebel activity. Laotian Army sources report small-scale military action continues in the northern provinces. [REDACTED]

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DAILY BRIEF

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VII THE WEST

OK Britain-UAR: (The present visit to the United Kingdom of UAR Economics Minister Qaysuni--the first such visit of any member of a Nasir government since the 1956 Suez intervention--points up the continuing improvement in relations between the two countries. London has responded favorably to a series of overtures from the UAR hoping they will lead to a resumption of diplomatic relations. Such a step still seems unlikely for several months, however, and any sharp clash with Nasir over special British positions or interests in the Arab world could reverse this trend.)

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LATE ITEM

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DAILY BRIEF

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# I. THE COMMUNIST BLOC

## Soviet Embarrassment Over Events in Far East Indicated

( [ ] remarks by Soviet spokesmen [ ] provide further evidence of the USSR's embarrassment over events in Laos and on the Sino-Indian border. [ ]

[ ] the Chinese Communists' actions in the border dispute were "incomprehensible" and could gain them nothing valuable enough to justify the bad impression being created.)

[ ] denied any Soviet responsibility for recent Chinese Communist actions in the Far East, saying it was "hardly logical" to assume that the USSR would "apply pressure" against non-Communist Asian countries on the eve of Khrushchev's visit. He asked why the Soviet Union should be blamed for "everything that happens" in bloc countries and stressed that the USSR wished to prevent any aggravation of the situation and would "do everything possible" to avoid jeopardizing the chances for a detente with the United States.)

( [ ] remarks bore also on the relationship between the USSR and the Communist Chinese. "We can urge them to do things," he commented, "but we cannot push buttons and watch them jump to conform." He remarked that if the Chinese Communists are not happy at the prospect of Khrushchev exchanging visits with President Eisenhower--and he said he had no information that this is the case--the USSR would still go through with the visits. This would not mean that a break was imminent between the USSR and China which, he added, the Soviet Union would do everything possible to prevent.)

[ ] expressed his conviction that something tangible must result from the Khrushchev-Eisenhower exchange of visits, and he mentioned the possibility of agreements on the cessation of nuclear testing and on trade. He stressed the importance of disarmament and urged that the United States sign a nonaggression pact with the Soviet Union. Touching also on)

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(the Berlin issue, he said the USSR will try to work out "something like a series of status quos." He denied any Soviet intention of taking "dangerous" action on this question and remarked, "We can keep talking about Berlin for some time to come.") [REDACTED]

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[REDACTED]

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Communist China's Propaganda Campaign on Sino-Indian  
Border Dispute

Chinese Communist measures to publicize Peiping's side of the Sino-Indian border issue are assuming the proportions of a major propaganda campaign, with all the trappings of long press editorials and public rallies. Speakers in the standing committee of the National People's Congress have echoed Premier Chou En-lai's condemnation of Indian activities along the border, reiterated his readiness to negotiate a solution, and urged his proposal to preserve the "status quo" pending a final settlement.

Embarrassed by their bad press in India and probably irritated as well by the failure of the USSR to voice unqualified support for the Chinese position on the border issue, the Chinese are voicing a sense of outrage that New Delhi by its charges should give encouragement to elements hostile to Sino-Indian friendship. Chinese stiffness toward New Delhi is based further on apparent confidence that Communist China's legal position in the border issue is every bit as strong as India's. Peiping cites British maps to support its position, and the American Consul General in Hong Kong points out that the Chinese could also draw on American maps for this purpose, including military maps that were widely available during World War II which give the Chinese version of the Tibet-Assam boundary.

The Chinese are adamant in their insistence that the McMahon line is "illegal" and unacceptable. They have not indicated, however, their minimum demands in the border area. None of their statements so far insists that the line presently shown on their maps is beyond discussion. New Delhi's position is that the McMahon line is not subject to negotiation except for minor modifications.

Some Indian Parliament members and newspapers in recent days have queried why Nehru hid from the Indian public the news of early Sino-Indian border clashes. They are now beginning to question the validity of the moderate stand Nehru is taking in Parliament on the border issue and are pressing him to take firm action against the Chinese Communists. [REDACTED]

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## II. ASIA-AFRICA

Laos: Communist bloc propaganda is giving increased prominence to the declared readiness of the Laotian dissidents to negotiate a peaceful settlement with the government. Both Peiping and Hanoi have publicized the recent offer attributed to General Kayson, ranking Neo Lao Hak Zat (NLHZ) leader at large. Conditions set for a settlement include withdrawal of United States military personnel and weapons, cessation of Laotian Army operations against the rebels, release of imprisoned NLHZ leaders, and resumption of International Control Commission (ICC) activities in Laos. Kayson is quoted as warning that should the Phoui government "continue to use American weapons to further the civil war, . . . the Laotian people will fight resolutely to the end."

The Communists probably feel that the degree of success achieved by the rebellion places them in an advantageous position from which to bargain. By dangling the bait of a peaceful solution, they apparently hope to bring domestic pressure on the government and international pressure on the United States to accept a negotiated settlement along the lines of the November 1957 agreement guaranteeing Communist participation in a coalition government.

The Laotian Government has spurned the NLHZ overtures, and American Ambassador Smith feels this position will not change so long as the Phoui regime stays in power. The military and young reformist group championed by influential Crown Prince Savang, recently named regent, are also strongly opposed to any concession.

Probably anxious to head off UN or other external intervention in Laos, the Communists are at some pains to deny "slandorous" charges of North Vietnamese participation in the conflict. Some fighting reportedly continues in northern Laos; a complete cessation of activity coincidental with the arrival of the UN mission would tend to refute the Communist portrayal of a "popular uprising."

Laotian officials admit the possibility of some unintentional exaggeration in communiqués on the fighting to date, but express

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confidence that the investigation by the United Nations fact-finding team will bear out Laos' charges that North Vietnam is actively supporting the dissidents. The Laotian Government is amassing available evidence, including captured arms and equipment and eyewitnesses to enemy attacks. Arrangements are also being made to fly the investigators by light plane and helicopter to the remote fighting areas. The hit-and-run tactics of the enemy and the rugged terrain, however, virtually preclude effective observation. [REDACTED]

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## III. THE WEST

Anglo-Arab Relations Improving

[REDACTED] (Relations between London and Cairo continue to show gradual improvement. Political considerations bar any precipitate move by either government, and resumption of formal diplomatic ties does not seem to be in prospect for many months, certainly not until after the British elections on 8 October. The British response to the growing number of overtures from Cairo in the past two months has been designed to point up the desirability of full diplomatic relations.)

(The UAR's mid-July invitation to participate in the Damascus trade fair from 21 August to 20 September, and then to send a member of the Macmillan government to take part in the "British day," was met by sending representatives of a semiofficial advisory committee on Middle East trade. Several members of the government-supported British Council are going to Cairo this week to discuss the UAR desire to place students in British universities. Greatest public evidence of the new cordiality is the present "private" visit to the United Kingdom of UAR Economics Minister Qaysuni--the first member of Nasir's government to visit there since the 1956 Suez intervention. His informal discussions with Foreign Secretary Lloyd may shed some light on Nasir's intentions to further the rapprochement.)

(Differences over the Suez Canal, while potentially troublesome, do not seem a present threat to this trend. Britain's efforts to delay an IBRD loan for Suez Canal improvements have not discouraged these overtures from Cairo. In any UN General Assembly discussions of the canal transit problem, London plans only to support the general principle of freedom of transit rather than specific Israeli claims. A reversal of the trend could nevertheless result from any clash with Nasir over Britain's remaining special positions elsewhere in the Arab world.) [REDACTED]

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